

# **Waltham on the Wolds & Thorpe Arnold Parish Council**

*Internal Audit Report 2024-25*

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*For and on behalf of  
Auditing Solutions Ltd*

## **Background**

**Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the AGAR.**

This report sets out the work undertaken in relation to the 2024-25 financial year. We have again undertaken our review for the year remotely: we wish to thank the Clerk for assisting the process, providing all necessary documentation in electronic format to facilitate prompt completion of our review for the year and sign off of the Internal Audit Certificate in the year's AGAR. We have been able to undertake a full programme of testing based on online access to the Scribe accounting system to ensure Governance and financial controls remain effective.

## **Internal Audit Approach**

In undertaking the review for the year, we have had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts and AGAR. As the Council's Internal Auditor and under the present audit arrangements, we have a duty to complete the internal audit report, as part of the Council's AGAR process, which covers the basic financial systems and requires assurances in ten separate areas.

## **Overall Conclusion**

We are pleased to note the continued maintenance of sound Governance and Financial Control procedures throughout 2024-25, which is to the credit of the Council and the Clerk. In light of that we have no formal recommendations to make.

We have duly completed the IA Report in the year's AGAR assigning appropriate assurances in each of the relevant areas.

Finally, we would note that this is the last audit that we will undertake for Waltham on the Wolds and Thorpe Arnold. It is hoped that Auditing Solutions will be shortly sold as a Going Concern, and that the Council will be able to continue with a new and preferred audit provider without interruption.

We express our gratitude to the Council, and the Clerk, for the opportunity to have been of service over the years, and we wish the Council all future success.

# Detailed Report

## Maintenance of Accounting Records & Bank Reconciliations

The Council continues to use the Scribe accounting system to maintain the Council's accounting records: the system operates effectively and provides the Council with all necessary and relevant financial information to facilitate its internal monitoring of performance. Two bank accounts are in use with Unity Trust (Current and Deposit).

Our objective in this area of review is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. We have accordingly: -

- Ensured that the coding structure is appropriate for budgetary purposes;
- Verified the accurate carry forward of the closing balances for 2023-24 into the 2024-25 Scribe accounts;
- Checked a representative sample in the receipts and payments "cashbooks" generated by Scribe to transactions recorded for the financial year by reference to the supporting bank statements; and
- Checked and agreed detail on the combined accounts bank reconciliation prepared as at 31<sup>st</sup> March 2025.

We note that all payments due are reported monthly to Council, signed off by Councillors, and available for viewing from the Council's website. We note that, although all Councillors are authorised bank signatories, a periodic check is undertaken by a Councillor who does not use this authority. This satisfies the requirement for independent check required by Financial Regulation 2.6.

### *Conclusions*

*No issues arise in this area warranting formal comment or recommendation*

## Review of Corporate Governance

Our objective here is to ensure that the Council has a robust regulatory framework in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders (SOs) and that, as far as we are reasonably able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation.

We note that the Council has formal SOs and Financial Regulations (FRs) in place, which were reviewed and re-adopted by the Council at the July 2024 meeting and are in the latest NALC Model Forms, together with a Statement of Internal Control and Reserves Policy agreed at later meetings. We note that the Council has increased its tendering limits (SO18a(v) and FR5.6) to £25,000 in anticipation of large future expenditure.

We have reviewed the Council's Minutes as posted on the website, and have found no issues of concern.

We note that, now the Clerk has achieved the CiLCA qualification, the Council is eligible to adopt the General Power of Competence in place of Section 137 (S137) of the Local Government Act 1972. However, we understand that the Council is not currently minded to adopt this power, as S137 expenditure is seldom made and only at a low level. We have confirmed that the S137 expenditure in 2024-25 is properly minuted and is below the legal threshold.

The Council's website shows a good level of compliance with the Transparency Code 2015, with all appropriate reports available for Public download.

We note that the External Audit of the 2023-24 Accounts raised no issues, and is available on the Council's website.

Finally, we note that the Exercise of Public Rights for the 2023-24 Accounts was properly published in accordance with the Accounts and Audit Regulations.

### ***Conclusions***

***No issues arise in this area warranting formal comment or recommendation.***

## **Review of Expenditure**

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Appropriate documentation supports payments, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We note clear evidence that Councillors are approving and initialling invoices and payment schedules at each meeting, details of which are available with the Minutes.

We have test-checked a representative sample of invoices from the Scribe system, with no issues of concern arising.

We have checked the balance on the VAT account, with no issues arising.

We note that the Council has requested a payment card from Unity Trust but, at the time of audit, this is still being pursued.

### ***Conclusions***

***No issues arise in this area warranting formal comment or recommendation.***

## Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition. We have:

- Examined the Council's insurance policy with Aviva (based on a 3-year Long Term Agreement up to August 2027), and note that appropriate cover is in place for both Employer's and Public Liability cover at £10 million each, together with Officers Liability at £500,000, all of which we consider appropriate for the Council's present needs. We also note suitable cover for play park equipment, which is the subject of an annual RoSPA review and weekly condition inspections; and
- Noted that the Council has reviewed and re-adopted a suitable Risk Assessment at the June and November 2024 meetings, which amply meets the requirements of Financial Regulation 2.2.

### *Conclusions*

*No issues arise in this area warranting formal comment or recommendation.*

## Budgetary Control & Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and level of precept to be drawn down from the Precepting Authority: also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans and cover any unplanned expenditure that might arise.

We note that, following due deliberation on the Council's budgetary requirements for 2025-26, the Council approved and adopted, at its January 2025 meeting, a Precept of £46,935, which was properly recorded in the Minutes.

We note that the Council undertakes a quarterly review of actual spend against budget, which is attached to the relevant Minutes.

The Scribe system shows Earmarked Reserves of £65,315 (including £42,000 for the MUGA) at 31 March 2025, and a General Reserve of £18,193. This represents 38.76% of the annual Precept, which is a significant fall from the 2023-24 level, largely due to the establishment of large Earmarked Reserves for playpark equipment and a Neighbourhood Plan. While the level of General Reserve (designed to allow for unforeseen events) is still deemed acceptable, this should be kept under review.

### *Conclusions*

*No issues arise in this area warranting formal comment or recommendation, other than our observation about the level of the General Reserve.*

## **Review of Income**

The Council has relatively limited sources of income, primarily the annual Precept, allotment rents, football club fees, bank interest and occasional grants and donations.

Our objective in this area is to ensure that all income due to the Council is identified and recovered within an appropriate period and is also banked promptly. We have test-checked a sample of these transactions from original documentation to the cashbook and the bank statements, with no issues arising.

We note that fees and charges for the Allotments, Football Field and Village Hall were reviewed in November 2024, which meets the annual requirement for review under Financial Regulation 13.2.

### ***Conclusions***

***No issues arise in this area warranting formal comment or recommendation.***

## **Petty Cash Account**

***The Council does not operate a petty cash account. Therefore no issues arise in this area warranting formal comment or recommendation.***

## **Review of Staff Salaries**

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HMRC legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme.

We note that payroll continues to be outsourced to an external accountancy firm, who provide all relevant documentation pertaining to the clerk's net salary payment and any tax / NI deductions. We have test-checked a representative transaction, with no issues arising.

We have been informed that, while the most recent NJC pay award (backdated to 1 April 2024) has been approved, it will not be paid until 2025-26. While we regard this as unusual, it is a matter between the Council and the Clerk.

### ***Conclusion***

***No issues arise in this area warranting formal comment or recommendation.***

## **Investments and Loans**

We aim in this area of our review process to ensure that the Council is taking appropriate action to ensure interest earning capabilities are maximised whilst safeguarding the Council's resources. As indicated earlier in this report, we note that the Council retains all its funds in current and deposit accounts with Unity Trust, the latter generating quarterly interest receipts.

No loans are in existence either payable by or to the Council.

### ***Conclusion***

*No issues arise in this area warranting formal comment or recommendation.*

## **Fixed Asset Register**

We note that the Council's Asset Register at 31 March 2025 fully complies with the Governance and Accountability Manual, showing all assets valued at either original cost price or a nominal £1 if historic costs cannot be identified. We also note that a photographic record of assets is included in the Asset Register, which we regard as good practice.

### ***Conclusion***

*No issues arise in this area warranting formal comment or recommendation.*

## **Annual Governance and Accountability Return (AGAR)**

We have checked and agreed the values to be reported in the 2024-25 AGAR to the underlying year-end financial detail, as reported by the Scribe software, with no issues arising.

We have duly signed off the Internal Audit Certificate in the 2024-25 AGAR.

Rec. No.	Recommendation	Response
<b>No recommendations made</b>		